

ORIGINAL



0000081359

**ROSHKA DeWULF & PATTEN**

ROSHKA DeWULF & PATTEN, PLC  
ATTORNEYS AT LAW  
ONE ARIZONA CENTER  
400 EAST VAN BUREN STREET  
SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

RECEIVED

28DR

JAN 31 P 12:48

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

January 25, 2008

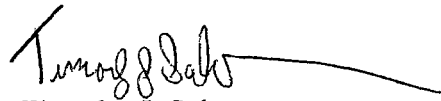
Ms. Blessing N. Chukwu  
Executive Consultant III  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington Avenue  
Phoenix, Arizona 85007

**RE: Responses to Insufficiency Letter**  
Docket Nos. WS-01775A-07-0485, SW-03575A-07-0485,  
W-02442A-07-0485, and W-03576A-07-0485

Dear Ms. Chukwu:

Please find enclosed the Applicants' responses to Staff's Insufficiency Letter and dated November 26, 2007.


Very truly yours,

  
Timothy J. Sabo

TJS:da

cc: Ms. Dorothy Hains  
Mr. Graham Symmonds

Arizona Corporation Commission  
**DOCKETED**  
JAN 31 2008

DOCKETED BY 

CP WATER COMPANY, FRANCISCO GRANDE UTILITIES  
COMPANY, PALO VERDE UTILITIES COMPANY, L.L.C. & SANTA  
CRUZ WATER COMPANY, L.L.C. – RESPONSES TO STAFF'S  
SECOND INSUFFICIENCY LETTER DATED NOVEMBER 26, 2007  
Docket Nos. WS-01775A-07-0485, SW-03575A-07-0485,  
W-02442A-07-0485, and W-03576A-07-0485

1. In response to Staff's September 19, 2007 Insufficiency Letter, Item No. 1, CP Water Company, Francisco Grande Utilities Company, Palo Verde Utilities Company, L.L.C. and Santa Cruz Water Company, L.L.C. (collectively, the "Applicant" or "Global ") stated "[a] copy of the draft bills of sale with the lists of assets are attached. The purchase of the companies was completed in December 2006,..." Please provide a copy of the bill of sale, purchase contract or other instrument, which conveys the assets to Global Water Resources, LLC and/or its subsidiary.

**RESPONSE:**

A copy of the stock purchase agreements will be provided upon receipt of a signed confidentiality agreement. The agreements concern only the sale of stock. Ownership of the assets remains the same: the assets are still owned by Francisco Grande and CP. Upon the approval by the Commission for the CC&N transfer requested in this case, the Bills of Sale that convey the CC&N and the other listed assets (shown in the draft bills of sale provided in our October 26, 2007 response to the ACC) can then be executed.

**RESPONDENT: Graham Symmonds, CTO & SVP Regulatory Affairs and Compliance**

2. In response to Staff's September 19, 2007 Insufficiency Letter, Item No. 6, Global stated that it does not plan to physically interconnect the Santa Cruz Water system ("Santa Cruz") and the CP system ("CP") and Francisco Grande Utilities ("Francisco Grande"). Staff understands that there are existing customers in the CP system but no water customer served by Francisco Grande. Currently the CP purchases water from the Arizona Water Company ("AWC") through a service agreement to serve its customers. In this filing, there is no evidence or proposal by Global on how CP and Francisco Grande would be served. Please explain in detail how Santa Cruz and Palo Verde plan to serve CP and Francisco Grande. If Santa Cruz would still purchase water from AWC, please provide a copy of the new service agreement between AWC and Santa Cruz. If Santa Cruz plans to haul water from the Santa Cruz to CP, Santa Cruz should file a water-hauling tariff for CP.

CP WATER COMPANY, FRANCISCO GRANDE UTILITIES  
COMPANY, PALO VERDE UTILITIES COMPANY, L.L.C. & SANTA  
CRUZ WATER COMPANY, L.L.C. – RESPONSES TO STAFF'S  
SECOND INSUFFICIENCY LETTER DATED NOVEMBER 26, 2007  
Docket Nos. WS-01775A-07-0485, SW-03575A-07-0485,  
W-02442A-07-0485, and W-03576A-07- 0485

**RESPONSE:**

*Please explain in detail how Santa Cruz and Palo Verde plan to serve CP and Francisco Grande.*

There will be no changes to the servicing provisions for CP or Francisco Grande's current customers. There is a master-planned development (Legends) that will ultimately include some of the certificated areas of both CP and Francisco Grande. As this master-planned development progresses, service in the certificated areas will be provided as described in Docket 07-0300.

As discussed in Docket 07-0300, the water distribution center ("WDC") for Legends is planned at the common site with the PVUC Campus 7 Water Reclamation Facility (Campus 7 WRF) and WDC located at Clayton and Russell Roads. Infrastructure and treatment costs to serve all of the new development in CP Water's certificated area is included in the 07-0300 docket.

Further, infrastructure and treatment costs to serve all of the new development in Francisco Grande's certificated area within Legends is included in the 07-0300 docket. The rest of the Francisco Grande certificated area has been master planned as well. Wastewater flows are presently programmed to flow to the PVUC Campus 7 in Legends.

*If Santa Cruz would still purchase water from AWC, please provide a copy of the new service agreement between AWC and Santa Cruz. If Santa Cruz plans to haul water from the Santa Cruz to CP, Santa Cruz should file a water-hauling tariff for CP.*

There currently are no plans to discontinue the bulk purchase service from AWC for the existing customers. As discussed herein, the additional development to occur within the entire CP Water certificated area will likely progress under the Legends development, and SCWC plans to provide water service as discussed fully in docket 07-0300.

On completion of the CC&N transfer, the AWC agreement will be assigned to SCWC.

**RESPONDENT:** Graham Symmonds, CTO & SVP Regulatory Affairs and Compliance

CP WATER COMPANY, FRANCISCO GRANDE UTILITIES  
COMPANY, PALO VERDE UTILITIES COMPANY, L.L.C. & SANTA  
CRUZ WATER COMPANY, L.L.C. – RESPONSES TO STAFF'S  
SECOND INSUFFICIENCY LETTER DATED NOVEMBER 26, 2007  
Docket Nos. WS-01775A-07-0485, SW-03575A-07-0485,  
W-02442A-07-0485, and W-03576A-07-0485

3. It is clear that CP existing water customers are septic tank users, there is no immediately sewer service needed in this area, but it does not mean that the Pinal County will approve septic tank permits for the future customers. Francisco Grande does have its own small wastewater treatment plant. Currently it only serves Francisco Grande Resort. Global indicate in the response to Staff's September 19, 2007 Insufficiency Letter, Item Nos. 7 and 8 that there are no plans to physically interconnect the Palo Verde sewer system ("Palo Verde") and CP or Francisco Grande. Global did not state if Francisco Grande wastewater treatment plant will expand to serve the future customers or not. Please explain how Global intends to serve future customers in Francisco Grande wastewater CC&N area.

**RESPONSE:**

Flows from the Francisco Grande wastewater CC&N area are all programmed to ultimately be treated at Campus 7 WRF located within the Legends development (see docket 07-0300). Initial phases of the Legend development are programmed to be treated under an interim plan described fully in docket 07-0300 at the existing PVUC Campus 1 WRF. Other development within the remaining portion of the Francisco Grande wastewater CC&N area, depending on when service is required, can either be served on an interim basis at Campus 1 WRF or at Campus 7 WRF.

**RESPONDENT:** Graham Symmonds, CTO & SVP Regulatory Affairs and Compliance

29 West Thomas Road  
Suite 203  
Phoenix, Arizona 85013



Phone: 602.263.0012  
Facsimile: 602.263.0013  
www.bbattyservice.com

Date <u>1/25/08</u>		Client File No <u>9W. fg - CP transfer</u> <b>07-0485</b>	
Firm <u>Roshka DeWulf &amp; Patten</u>		Phone <u>602 256-6100</u>	
Address <u>400 East Van Buren, Suite 800</u>		City, State, Zip <u>Phoenix, Arizona 85004</u>	
Attorney <u>Tim Sabo</u>		Secretary <u>Debbie Amaral</u>	
Court <u>Arizona Corporation Commission</u>		County	
Plaintiff		Defendant	
Case No.		Service Requested <input type="checkbox"/> Rush Service <input type="checkbox"/> Routine Service	
Service Requested	<input checked="" type="checkbox"/> File	<input type="checkbox"/> Issue	<input type="checkbox"/> Record
	<input type="checkbox"/> Return	<input type="checkbox"/> Serve	<input checked="" type="checkbox"/> Deliver
		<input type="checkbox"/> Certify	<input checked="" type="checkbox"/> Conform/Return
		<input type="checkbox"/> Deliver to Judge	Judges's Name
Filing Fees Attached: Advance:		Witness Fees Attached: Advance:	
Documents			
<u>Mobile response to 2nd Insufficiency Letter</u>			
Special Instructions			
Deliver envelopes, <u>Blessing Chukwu &amp; Dorothy Harris</u>			
Person/Entity to Serve		Last Day to Serve	
Home Address		Business Address	
		<b>RECEIVED</b>	
		<b>JAN 25 2008</b>	
Home Phone		Business Phone	
		<b>AZ CORP COMM</b>	
Served		Date	
		<b>Director Utilities</b>	
Address			
Description (Office Use Only)	Sex	Age	Race
	Weight	Eyes	Hair
Height			
Other			
Signature for Receipt of Delivery		Date	Time